

Chapter Case Study

Social Marketing: A Bangladesh Success Story **

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People interested in development know about Bangladesh even if they have never visited here. Successful initiatives that raise people's living standards have incubated in Bangladesh and been copied throughout the world. Every development expert utilising micro-credit or village phones or oral re-hydration therapy, or any of a number of other innovations, owes a debt of gratitude to creative Bangladeshis who are not afraid to try new ideas.

The Social Marketing Company (SMC) is one of these initiatives, and I am particularly proud of it because it combines Bangladeshi inspiration and hard work with USAID funding and technical support. Most likely you have heard of the SMC, which is not a company in the traditional sense, but an organisation that distributes 70 per cent of the condoms, 29 per cent of the birth control pills, and 70 per cent of the oral re-hydration salts used in Bangladesh. Bangladesh's Social Marketing Company is one of the earliest, largest and best-known social marketing programmes in the world. Other countries with social marketing programmes similar to Bangladesh's SMC include Zambia, Brazil, Egypt and many more.

Social marketing combines the best of the public and private sectors to deliver services and commodities to the poor. The contraceptives needed by low-income families, but otherwise beyond their economic means, come both from the public and private sectors. From the private sector comes an experienced, competitive, low-cost distribution network- the same one that provides products to the smallest villages, without any master planner directing distribution.

SMC takes donated contraceptives and uses private commercial channels to get them on the

shelves of about 200,000 shops and pharmacies in every corner of the country. The Government of Bangladesh, through an agreement signed with USAID, has made a commitment to donate contraceptives for SMC, complementing the contraceptives that USAID and other donors also provide. Thanks to SMC's distribution network, a person can obtain contraceptives more quickly and conveniently - without the need to wait in line or meet with a public health worker. This ready availability encourages contraceptive use and efforts to control Bangladesh's population growth and limit the spread of AIDS and other sexually transmitted diseases.

You have seen SMC's brands on the shelves: Raja condoms, Femicon orals, Orsaline and others. They are quality products, equal to any in the world. Their availability and convenience come at a price, but with SMC it's a small one. Part of the purchase price stays with the village store or pharmacy that stocks SMC products to cover the cost of doing business. The rest helps pay for SMC operations, which include warehousing, transport, accounting, quality control, advertising and promotions.

SMC does not make profits and may indeed never become financially self-sufficient. It relies on donor funding for contraceptives, which are typically sold below cost. But SMC does try to increase its self-sufficiency to reduce its reliance on others. SMC now has its own building, which allows it to avoid paying rent while serving as a landlord to others. And SMC is beginning to buy contraceptives itself, on a commercial basis, to sell at prices that will subsidise the much higher volume, lower-price brands. But its options are more limited than a for-profit company because its

fundamental mission is to provide contraceptives at prices people can afford.

USAID provides technical support to SMC to ensure accountability and sound management. A USAID representative is a nonvoting member of its board, and the organisation runs with strict controls and transparency. A prestigious local audit company affiliated with an international accountancy firm conducts annual audits, and SMC's audited financial statements are shared with donors and government.

Support for SMC makes good sense. It provides a vehicle for cooperation between public and private interests. The United States looks forward to continuing to support SMC, which is a Bangladesh success story, working to enhance the welfare of the people of Bangladesh.

Questions for Discussion:

1. Define Marketing from SMC's point of view.
2. Which marketing management concept is followed by SMC and how?
3. Which marketing strategy of SMC is contributing population control program in Bangladesh? Explain how?
4. From the case can we say that SMC is a for-profit organization? Why or why not?
5. In which marketing mix variable the SMC should concentrate more? Price, Advertisement or Distribution? Provide argument in favor of your answer.
6. Is partner relationship management is the key to SMCs success? How?

** Source: Internet